

QUEENSLAND

ENERGY AND JOBS PLAN

Power for **generations**

Queensland

*Good jobs
Better services
Great lifestyle*

ENERGY (RENEWABLE TRANSFORMATION AND JOBS) BILL 2023

EXPOSURE DRAFT CONSULTATION

70%

**Renewable Energy
by 2032**



**Queensland
Government**



In the spirit of reconciliation, the Queensland Government acknowledges the Traditional Custodians of country throughout Queensland and their connection to land, sea and sky.

We pay our respects to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander people today.

The Queensland Government acknowledges the continuous living culture of First Nations Queenslanders – their diverse languages, customs and traditions, knowledge and systems.

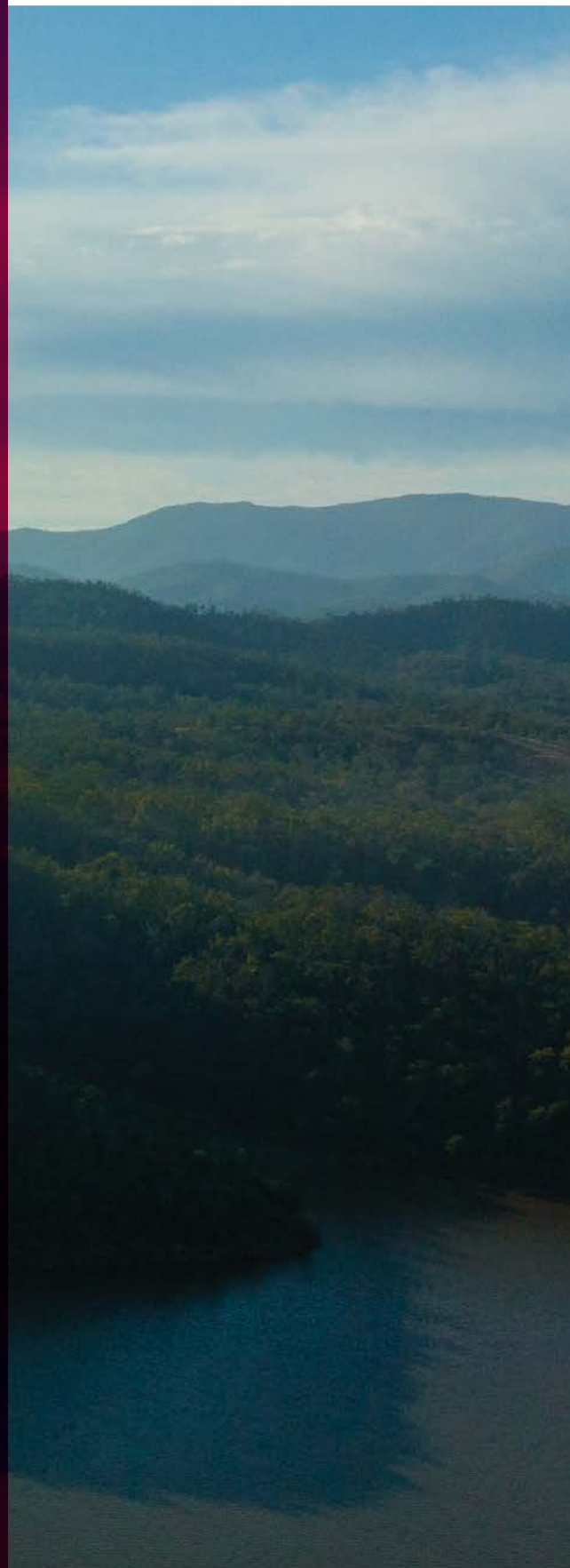
The Queensland Government acknowledges the role that First Nations people had in the delivery of Queensland's current energy system and is committed to ensuring they benefit from the new energy system. As we work together to deliver a clean, reliable and affordable energy system for Queensland, the Queensland Government is committed to genuine partnerships and meaningful engagement with Queensland's First Nations people.





Contents

The Bill on a page	6
Introduction	8
Commitments to the public	10
Queensland Renewable Energy Targets	10
Job Security Guarantee	11
Public Ownership	12
Investment opportunity in Queensland	15
Frameworks to build the Queensland SuperGrid	16
Queensland SuperGrid Infrastructure Blueprint	16
Priority Transmission Investments	17
Queensland Renewable Energy Zones	20
Grid Supporting Technology	24
Governance and Advice	25
Queensland Energy System Advisory Board	25
Energy Industry Council	26
Queensland Renewable Energy Jobs Advocate	27



OUR JOURNEY TO A RENEWABLE FUTURE

Commitments to the public

Values to guide our transition pathway.

Job Security Guarantee
Legislative commitment and new Fund to support affected energy workers through the energy transformation.

Public Ownership
Enshrine in legislation, Government's commitment to maintaining public ownership in the energy system - 100% of distribution and transmission, 100% of deep storage, and more than 50% generation.



Governance and Advice

Advisors and Governance to make the path clear and safe.

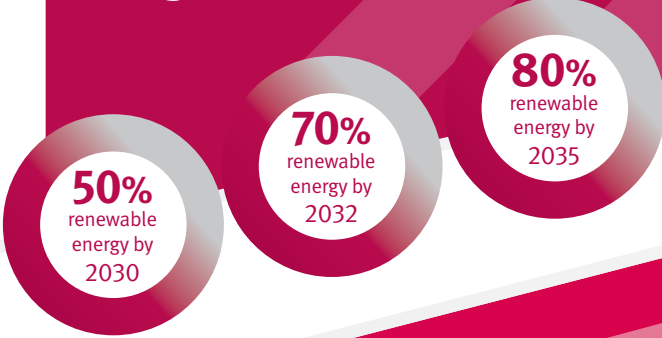
Queensland Energy System Advisory Board
Provide technical advice on the optimal infrastructure pathway.

Energy Industry Council
Advice to support implementation of the Queensland Energy Workers' Charter, including on opportunities for affected energy workers and their communities.

Queensland Renewable Energy Jobs Advocate
Advice on local workforce opportunities and champion future renewable energy sector jobs.



Queensland's Renewable Energy Targets



Frameworks

To build the SuperGrid and facilitate

Queensland SuperGrid Infrastructure Blueprint
Establish the process and requirements for updating the Infrastructure Blueprint, which outlines the optimal infrastructure pathway to transform our electricity system.

Frameworks to attract

the right investment at the right time.

Priority Transmission Investments
Establish a framework to build the backbone transmission needed to move electricity across Queensland.

Queensland Renewable Energy Zones
Establish a framework to coordinate and connect the 22 gigawatts of new large-scale wind and solar needed to transform the system.

New grid supporting technology
Update the definition for 'operating works' in the *Electricity Act 1994* to allow for batteries and synchronous condensers.

and streamline private sector investment in Queensland's energy system.



Introduction

Last year, the Queensland Government released the Queensland Energy and Jobs Plan (QEJP) which outlines a vision to deliver clean, reliable and affordable power for generations. The QEJP commits Queensland to achieving 50 per cent renewable energy by 2030 and sets two new renewable energy targets of 70 per cent renewable energy by 2032 and 80 per cent by 2035. The QEJP leverages Queensland's natural advantages to:

- Build a clean and competitive energy system for the Queensland economy and industries, as a platform for accelerating growth
- Deliver affordable energy for households and businesses, and support for more rooftop solar and batteries
- Drive better outcomes for workers and communities as partners in the energy transformation.

To underpin the QEJP, the Queensland Government released the Queensland SuperGrid Infrastructure Blueprint (Infrastructure Blueprint). The Infrastructure Blueprint outlines the State's optimal infrastructure pathway to transform the electricity system. The optimal infrastructure pathway means the sequence and timing of infrastructure investments to achieve the three renewable energy targets and to convert all publicly owned coal-fired power stations into clean energy hubs by 2035.

Have your say on the draft Bill to deliver the QEJP and help build the SuperGrid to transform Queensland's energy system.

To achieve the QEJP and the optimal infrastructure pathway outlined in the Infrastructure Blueprint, Queensland needs new legislation. This consultation document outlines the draft of this legislation - the Energy (Renewable Transformation and Jobs) Bill. The draft Bill seeks to enshrine commitments to the public, provide the frameworks needed to build Queensland's SuperGrid and establish governance and advice functions.

➤ Commitments to the public

The draft Bill outlines the State's commitments to industry, businesses, households and workers through the energy transformation. These commitments are outlined below.

- Establish Queensland's three Renewable Energy Targets – 50 per cent by 2030, 70 per cent by 2032, 80 per cent by 2035 – and new reporting obligations in legislation. The targets provide the overarching goal during the energy transformation, and provide confidence and clarity on where Queensland is headed.
- Enshrine in legislation Government's commitment to maintaining public ownership in the energy system - 100% of distribution and transmission, 100% of deep storage, and more than 50% generation.
- Enshrine the Job Security Guarantee and Job Security Guarantee Fund in legislation to give confidence to affected energy workers that they will be supported through the energy transformation, in line with the Queensland Energy Workers' Charter (a tripartite agreement between Government, relevant energy unions and publicly owned energy businesses).

As part of the QEJP and maintaining current market share of public investment the Queensland Government has also committed to converting publicly owned coal-fired power stations into clean energy hubs for the future. This legislative package will help to deliver on this commitment.

➤ Frameworks to build the Queensland SuperGrid

The following four elements will enable delivery of the right infrastructure and the investment Queensland needs to achieve the vision in the QEJP.

- Enshrine the process for reviewing and updating the Infrastructure Blueprint and optimal infrastructure pathway (i.e. Queensland's pathway to transform the electricity system and achieve the renewable energy targets).
- Establish a new Priority Transmission Investment framework to identify, assess and build the backbone transmission needed to connect our pumped hydros and renewable energy zones with areas of demand.
- Establish a new Queensland Renewable Energy Zone framework to coordinate and efficiently connect the 22 gigawatts of new large-scale wind and solar Queensland needs by 2035 to transform the electricity system.
- Update the definition for 'operating works' in Queensland's existing *Electricity Act 1994* to remove barriers to new grid supporting technologies such as batteries and synchronous condensers.

These frameworks will unlock new opportunities and attract private sector investment in Queensland's energy system.

➤ Governance and Advice

The QEJP identifies the need for three new governance or advisory functions to support a smooth, coordinated delivery of the energy transformation. New legislation

is required to establish those functions and provide clarity on their role, reporting requirements and the membership. These new functions are outlined below.

- The Queensland Energy System Advisory Board will provide technical advice on Queensland's optimal infrastructure pathway to ensure a secure, reliable and affordable electricity supply is maintained for Queensland consumers.
- The Energy Industry Council will provide advice on opportunities and pathways for affected energy workers, and to support implementation of the Queensland Energy Workers' Charter.
- A Queensland Renewable Energy Jobs Advocate to provide advice on local job opportunities in the energy industry and promote the benefits of renewable energy projects.

Have your say

If you would like to have your say on the draft legislation, please visit our consultation hub at qld.gov.au/energyandjobsplan



The Queensland Government appreciates the time and effort involved in considering draft legislation. Your feedback is invaluable to ensure the effective implementation of the QEJP and Infrastructure Blueprint.



Commitments to the public

Queensland Renewable Energy Targets

Implementing the QEJP

Action 1.8 of the QEJP commits the Queensland Government to prepare legislation to enshrine the existing 50 per cent renewable energy target by 2030 in law, as well as the two new renewable energy targets – 70 per cent by 2032 and 80 per cent by 2035.

Summary of proposed legislation

The draft Bill legislates all three of Queensland's renewable energy targets:

- By 2030, 50 per cent of electricity generated in Queensland is to be generated from renewable energy sources
- By 2032, 70 per cent of electricity generated in Queensland is to be generated using renewable energy sources
- By 2035, 80 per cent of electricity generated in Queensland is to be generated using renewable energy sources

The Minister must also publish the methodology for working out the amount of electricity generated in Queensland from renewable energy.

The Minister will review the renewable energy targets at least every five years to ensure the targets remain contemporary.

Key clauses in the exposure draft

- Establishment of the renewable energy targets, s 8
- Methodology for calculating electricity generated from renewable energy sources, s 9
- Review of the renewable energy targets, s 11





Job Security Guarantee

Implementing the QEJP

Action 3.2 of the QEJP commits that the government will ensure workers in Queensland's publicly owned coal-fired power stations have a secure future, choices, and clear employment pathways and opportunities. To do this, the government will implement a new \$150 million Job Security Guarantee. This will support workers in publicly owned coal-fired power stations.

The draft Bill enshrines the government's Job Security Guarantee in legislation, with a commitment to provide security and support to affected energy workers. This includes providing support for training, access to employment opportunities, or by providing other benefits or opportunities to support affected energy workers.

The Job Security Guarantee is an investment in Queensland's energy talent and will help to deliver Queensland's clean energy future.

These workers will have guaranteed opportunities to continue their careers within publicly owned energy businesses or pursue other career pathways. The government will do this by supporting workers to:

- undertake additional training or skills development to secure opportunities in the future energy sector or emerging industries
- transfer between publicly owned energy corporations to secure new, ongoing employment opportunities
- extend their career, where eligible, to support Queensland's safe, reliable, and secure energy system

- seek advice on career options with dedicated future pathway managers within Queensland's publicly owned energy businesses.

➤ Purpose of Fund

A key purpose of the Job Security Guarantee Fund is to support implementation of the Job Security Guarantee. The draft Bill outlines two other purposes of the Fund:

- To ensure a sufficient number of workers are retained for the safe and reliable operation of coal-fired power stations
- To provide funding for the Energy Industry Council and Queensland Renewable Energy Jobs Advocate

➤ Establishment of the Job Security Fund

The draft Bill identifies who is eligible to access the Fund. Inclusions are below.

- Affected energy GOC workers are those workers at publicly owned coal fired power stations, or whose roles are related solely to the operation of a publicly owned coal-fired power station, and are directly and adversely affected because of a change in operations at those power stations as part of achieving the renewable energy targets.
- Prescribed energy workers, are those workers at publicly owned coal mines and any other facility prescribed by regulation, whose role has been adversely affected by changes occurring at their facility as part of meeting the Queensland renewable energy targets. This includes Kogan Creek Mine and Meandu Mine.

➤ Payments from the Fund

The draft Bill requires payments from the Fund be jointly decided by the Minister and Treasurer. In doing so they must consider how payments will support achieving the purpose of the Fund, whether the payment is the most practical or cost-effective way, and whether there are alternative sources of funding available.

The draft Bill outlines that a regulation will be prepared to prescribe the types of supports to be provided by the Fund. This is anticipated to include, as an example, training costs to support affected energy workers and relocation costs.

Provision is also made in the draft Bill for other regulations that may establish requirements or obligations on recipients of payments from the fund; and which affected workers are eligible for different categories of costs.

The Department's annual report will outline the total amount paid from the Fund for the financial year, how the payments have supported the purposes of the Fund and the funds remaining.

Key clauses in the exposure draft

- Purposes of Fund, s 71
- Payments from Fund, s 72 and s 73
- Job Security Guarantee, s 67
- Who is an affected worker, s 68

Public Ownership

Implementing the QEJP

The Queensland Government has a long-standing commitment to public ownership in the electricity system. It is because Queenslanders chose to keep energy assets in public hands that the State has the control and ability to guide the transformation of our energy system. This will deliver a coordinated, sequenced, and well-managed energy transformation and ensure the lights stay on.

Queensland's public ownership position delivers affordable energy for Queenslanders. Dividends from Queensland's energy businesses are passed through to Queenslanders as the owners, helping to ease cost of living pressures.

Looking ahead, the energy transformation will require the biggest energy investment program in the history of the State. This means substantial investment in generation, transmission, distribution, and storage. This will require investment from both the public and private sectors. Like today, Queensland intends to have blended ownership in its generation sector. This means a mix of government ownership, government underpinning private sector investment through long-term offtake arrangements, and completely private players.

The Queensland Government will continue to deliver the backbone and renewable energy zone transmission infrastructure in the shared network, as well as the strategic deep storage Borumba and Pioneer-Burdekin pumped hydro energy storage assets. However, there will be a strong role for the private sector in delivering renewables, other storage assets like batteries or pumped hydro energy storage, and innovative energy technologies.

Continued public ownership in the electricity system to maintain current market share means benefits keep flowing to Queenslanders. This will be funded



in a range of ways, including through the Queensland Renewable Energy and Hydrogen Jobs Fund, as part of the balance sheets and partnerships of each business, and dividend re-investment.

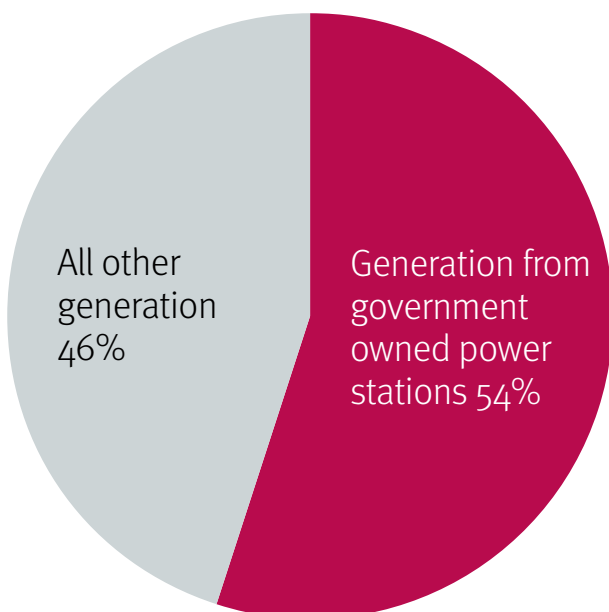
Importantly, private sector investment will play a vital role in Queensland's energy system.

Public investment will ensure that the critical infrastructure required for the transition to renewables is built when and where we need it, de-risking investment in the generation sector for both public and private investors.

With the government and private sector working together, Queensland will deliver clean, reliable and affordable power for generations.

Summary of proposed legislation

The draft Bill cements the Queensland Government's intention to ongoing public ownership in Queensland's electricity system by requiring the Minister to:



Three year average

- Prepare a public ownership strategy that sets out the targets for public ownership for generation, transmission, distribution, and deep storage
- Report on the progress made towards achieving the commitments set out in the public ownership strategy. The draft Bill will enshrine in legislation commitments to 100% distribution and transmission, 100% deep storage, and more than 50% generation.

Private investment

Private generation will continue to play a vital role in the energy mix and will be an essential part in Queensland reaching its renewable energy targets. The government will continue to connect private sector generators to the network in line with current processes without bias to provide renewable energy to Queensland consumers. This will be done in line with the requirements of the Electricity Act 1994 and the Competition and Consumer Act 2010 (Cth). Only large scale generators (i.e. those registered as generators under the National Electricity Rules) will be counted towards the generation ownership commitments.

Behind the meter generation is not proposed to be counted towards ownership commitments and may be 100 per cent privately owned and operated, along with non-regulated transmission connections.

Key clauses in the exposure draft

- Public ownership commitments, Part 3
- Publication of a public ownership strategy, s 12
- Reporting on public ownership commitments, s 13



Queensland Advantages



Abundant wind and solar



Upgraded SuperGrid to unlock new renewable capacity



World class port and export infrastructure



Highly skilled workforce and innovative culture

Investment opportunity in Queensland

Reaching Queensland's new renewable energy targets will require substantial private and public sector investment in the state's energy system.

The QEJP and this draft Bill provides confidence to investors in Queensland's energy transition. New capacity in the grid will be unlocked by government backing critical infrastructure, like shared backbone transmission. The government will also be backing deep multi-day storage like Borumba and Pioneer-Burdekin for energy security to provide critical long-duration storage for the system.

This enabling infrastructure unlocks opportunities for renewable energy investors and provides confidence to supply chain investors and emerging industries like green hydrogen that Queensland's energy transformation will be coordinated.

The Queensland Government will continue to create an environment that attracts business to invest, with new frameworks for delivering streamlined renewable energy zones and a focus on unlocking capacity in the network. Timely conversion of the publicly owned thermal fleet will create space in the market for an additional 22 gigawatts of wind and solar by 2035 – with the private sector playing a key role in investing in new generation, as well as more storage, alongside Government.

Queensland has a growing and resilient economy, a skilled workforce, innovative culture, sophisticated infrastructure, and significant resources which make it an ideal location for investment. The investor community can be confident in Queensland's clean energy future with the levers to deliver set out in this draft Bill.

Opportunities

- Additional 22GW by 2035 of private and public renewable energy technologies like wind and solar
- At least 12GW storage, firming and dispatchable technologies including batteries and different scales of pumped hydro energy storage alongside the government-backed deep storage assets
- Non-regulated connections, micro-grids and standalone power systems
- Green hydrogen and related products with hydrogen hubs already in development in key places like Gladstone and Townsville
- Supply chain opportunities in manufacturing for renewable energy and green industries
- Emerging sectors like battery manufacturing and critical minerals processing

Partnerships with Government businesses

There are also opportunities for partnerships with Queensland's publicly owned energy businesses backed by a \$4.5 billion Queensland Renewable Energy and Hydrogen Jobs Fund.

Already, Queensland's government owned energy businesses are partnering with internationally and nationally significant investors to bring new projects to market with equity arrangements, offtake contracts, joint ventures, and other partnership models.

Government businesses have helped to back more than 2400 megawatts (MW) of new generation since 2015 in partnership with the private sector, with a further 3500 MW delivered through private investment over that time.



Frameworks to build the Queensland SuperGrid

Queensland SuperGrid Infrastructure Blueprint

Implementing the QEJP

Action 1.10 commits the Queensland Government to prepare an update to the Queensland SuperGrid Infrastructure Blueprint.

Summary of proposed legislation

The draft Bill outlines the processes and requirements for updating the Queensland SuperGrid Infrastructure Blueprint. This includes reviewing and updating the optimal infrastructure pathway, which is Queensland's pathway to transform the electricity system and achieve three objectives:

- a) achievement of the renewable energy targets
- b) provision of a safe, secure and reliable supply of electricity to Queensland consumers
- c) minimisation of the cost of electricity for Queensland consumers.

The draft Bill sets out what must be included in Queensland's SuperGrid Infrastructure Blueprint.

This includes the timing and sequence for delivering projects on the optimal infrastructure pathway, changes in operations of coal-fired power stations, and estimates of the total amount of installed renewable generation capacity to achieve the renewable energy targets.

Under the draft Bill, the Infrastructure Blueprint will be reviewed by 31 May 2025 and then every two years after.

Key clauses in the exposure draft

- Queensland SuperGrid Infrastructure Blueprint (Infrastructure Blueprint), s 15
- Optimal Infrastructure pathway, s 14
- Review of Infrastructure Blueprint, s 16



Priority Transmission Investments

Implementing the QEJP

Action 1.1 of the QEJP commits the Queensland Government to investigate appropriate legislative models to support the delivery of the backbone transmission needed to transform Queensland's electricity system.

The QEJP and Infrastructure Blueprint outline an ambitious, but credible, pathway to transform the State's electricity system and deliver clean, reliable and affordable power for generations. New backbone transmission will be critical to this transformation, connecting our renewable energy zones, pumped hydro assets and areas of demand (such as our cities, towns and industrial hubs).

Achievement of Queensland's vision requires a step-change, transformational approach to investments in the system. The new Priority Transmission Investment framework, outlined in this draft Bill, gives Queensland a new tool to deliver the step-change investments needed, when they are needed, for clean, reliable and affordable power.

This Framework does not replace existing frameworks and processes under the National Electricity Rules. It instead provides Queensland another avenue to deliver the transmission infrastructure we need, in an efficient way.

Summary of proposed legislation

To transform Queensland's energy system, the backbone transmission outlined in the Infrastructure Blueprint needs to be built at the right time, in the right sequence.

The existing regulatory framework, under the current National Electricity Laws (NEL) and National Electricity Rules (NER) is not designed for this state-directed purpose. Therefore, the draft Bill enables a new Priority Transmission Investment (PTI) framework, and modifies some parts of the NEL and NER, to allow the State to identify and assess PTI projects, and direct Powerlink to construct and recover its costs in respect of them.

Legislative framework

The following summarises the key elements of the proposed PTI 4-stage process.

➤ Stage 1: Identification

Under the draft Bill, the Minister may identify, through regulation, transmission projects that are eligible for consideration under the PTI framework (an Eligible PTI). To be eligible the transmission project must be a part of the Queensland Government's optimal infrastructure pathway.

➤ Stage 2: Assessment

The draft Bill will give the Minister powers to direct Powerlink to assess (a 'Candidate PTI Assessment') an Eligible PTI. This assessment is based on the NER Regulatory Investment Test – Transmission, and will help the State understand the best approach to building the transmission infrastructure, the most suitable route and estimated costs. If directed, Powerlink must undertake the assessment and return to the Minister with a report.

➤ Stage 3: Construction

Provided the Minister finds Powerlink's assessment acceptable, the draft Bill gives the Minister and Treasurer the joint power to direct Powerlink to construct the project. From this point, the project is known as a PTI project.

➤ Stage 4: Recovery of costs

A Regulation to support the PTI framework will contain powers enabling the Minister and Treasurer to jointly direct how Powerlink will recover the costs of PTI projects. An extract of this Regulation containing these direction powers is included as part of consultation on the exposure draft of the Bill.

1. Primary PTI allowance direction:

If the Minister makes a PTI implementation direction, they must at the same time direct Powerlink to apply to amend its Revenue Determination or Revenue Proposal to take the PTI into account.

2. Regulated Asset Base (RAB) allocation direction:

At the same time as the Primary PTI recovery direction, the Minister must also give Powerlink a RAB allocation direction. This direction will outline what amount of the project's costs that may be included in Powerlink's RAB. This enables Powerlink to recover costs in line with the amount permitted by the RAB allocation direction. The direction may also allow for amounts to be included onto Powerlink's RAB in stages.

3. Material change PTI recovery direction:

In specific circumstances, the Minister may update the RAB allocation direction, changing the amounts allowed on Powerlink's RAB, and when new amounts can be put into Powerlink's RAB. These circumstances are if there has been a significant change to the Blueprint's optimal infrastructure pathway or the Australian Energy Market Operator's Integrated System Plan (and the change is relevant to PTI), or an increase in costs associated with a PTI. This update is called a Material change PTI recovery direction and it can be issued by the Minister within 18 months of the PTI being built.

Additional information

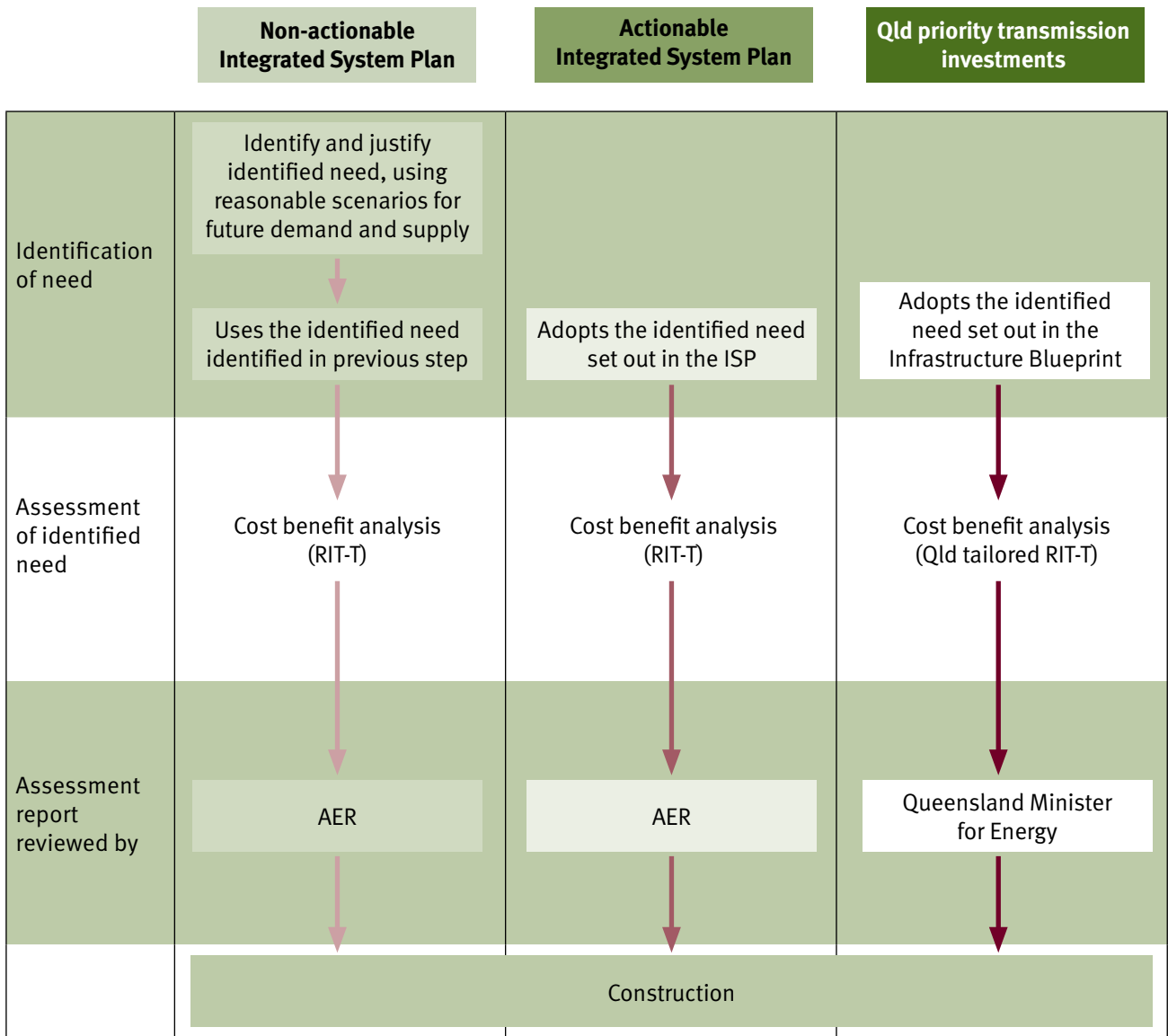
In addition to the Minister's direction powers regarding the recovery of costs, additional Regulations (including derogations from the NER) will be contained in a supporting Regulation.

Key clauses in the exposure draft

- Eligible PTI, s 20
- Candidate PTI, s 21-26
- Priority transmission investment, s 27-28
- Primary PTI allowance direction, reg, s 4
- RAB allocation direction, reg, s 15-18
- Material change PTI direction, reg, s 19-20



Different transmission investment pathways



New South Wales and Victoria have recently passed state legislation to enable state-led transmission projects, *Electricity Infrastructure Investment Act 2020* and *National Electricity (Victoria) Amendment Act 2020*, respectively.



Queensland Renewable Energy Zones

Implementing the QEJP

Action 1.4 of the QEJP commits to the coordinated development of an additional 22 gigawatts of large-scale wind and solar by 2035 in Renewable Energy Zones (REZ) across northern, central and southern Queensland.

What is a Renewable Energy Zone (REZ)?

A REZ is an area with excellent characteristics for renewable energy that is developed in a coordinated way to lower costs and improve local community, environmental, and cultural heritage outcomes. By strategically building new energy infrastructure within these zones, Queensland can unlock the full potential of its renewable energy resources. REZ development is a critical step towards achieving the Queensland Government's new renewable energy targets, creating regional job opportunities, and lowering Queensland emissions.

Summary of proposed legislation

The draft Bill modifies elements of the NEL and NER to allow parts of the Queensland electricity network to be declared a REZ by the Minister for Energy and developed by the REZ delivery body. A declared REZ will include nominated sections of the transmission network with connections regulated under a REZ management plan. The REZ delivery body will streamline and coordinate the connection of multiple projects within these zones.

Benefits of the REZ framework:

- Unlocks more renewable investment
- Lowers total system cost
- Optimises scale-efficient transmission
- Maximises community benefits

Legislative Framework

⑤ Identification and declaration of a REZ


Under the draft Bill, on the recommendation from the REZ delivery body, the Minister for Energy may declare a part of the Queensland electricity network a REZ. The declaration will state the objectives of the REZ, including target connecting capacity, and identify the geographic boundary. A declaration will be in force for a minimum of 15 years after the first participant connects.

A draft REZ management plan will be published for consultation alongside the declaration.

⑤ The REZ management plan

Declared REZ will be smaller areas within the three broad regions identified in the QEJP – the northern, central and southern regions.

The draft management plan for the REZ must be open for public consultation for no less than 28 days. Upon completion of the consultation period, the REZ delivery body must consider any submissions received and make appropriate amendments. The REZ delivery body must provide the Treasurer and Minister for Energy the proposed final management plan along with a report outlining the submissions and how they were considered. The Treasurer and Minister will then approve and publish the final management plan.



The management plan must detail the technical qualities of the REZ (e.g. total capacity and target technology mixes like wind and solar), the timeframes for development of network assets, and the processes and requirements for participants to connect.

➤ Access and connection

It is proposed that access and connection to a REZ will be determined in accordance with the requirements set out in the management plan on the basis of two new asset classes:

- **REZ Transmission Network:** These are the nominated transmission lines (existing or new) within a REZ that participants may connect to and use to transfer their energy to the shared network. Under the current NER, similar infrastructure is regulated as Designated Network Assets and Identified User Shared Assets. The REZ framework modifies the NER by allowing the REZ delivery body to control and streamline connections to the REZ Transmission Network to ensure the objectives of the REZ are achieved.
- **REZ Controlled Assets:** These are assets in the vicinity of a declared REZ that may materially affect the functioning of the REZ. The delivery body may restrict connection to these assets as set out in the management plan to ensure the objectives of the REZ are achieved.

Powerlink, as the Transmission Network Service Provider, will be responsible for negotiating connection and access agreements directly with each prospective REZ participant to fill the REZ to the nominated capacity. This will provide generators with increased certainty over the total connecting capacity in the zone.

Powerlink will also streamline the negotiation of technical performance access standards with connecting generators to expedite the connection of projects in the REZ. To facilitate this, derogations from the NEL and NER is required, including disapplying

some of the existing Australian Energy Market Operator advisory matters that govern access standards. This will include an increased role for Powerlink in managing these standards directly, streamlining the process for connecting parties.

Outside of the REZ Transmission Network and REZ Controlled Assets, 'Open Access' for generators will continue to apply on the shared network.

➤ Funding and cost recovery

Under the draft Bill, the costs associated with a REZ Transmission Network, will be recovered on a commercial basis from REZ participants in the first instance as negotiated by Powerlink in the connection and access agreement. In the event of a residual shortfall after all reasonable efforts by Powerlink to fully subscribe the REZ commercially, government can determine how remaining costs are recovered. This could be through a combination of Powerlink, government support, or through transmission charges to consumers.

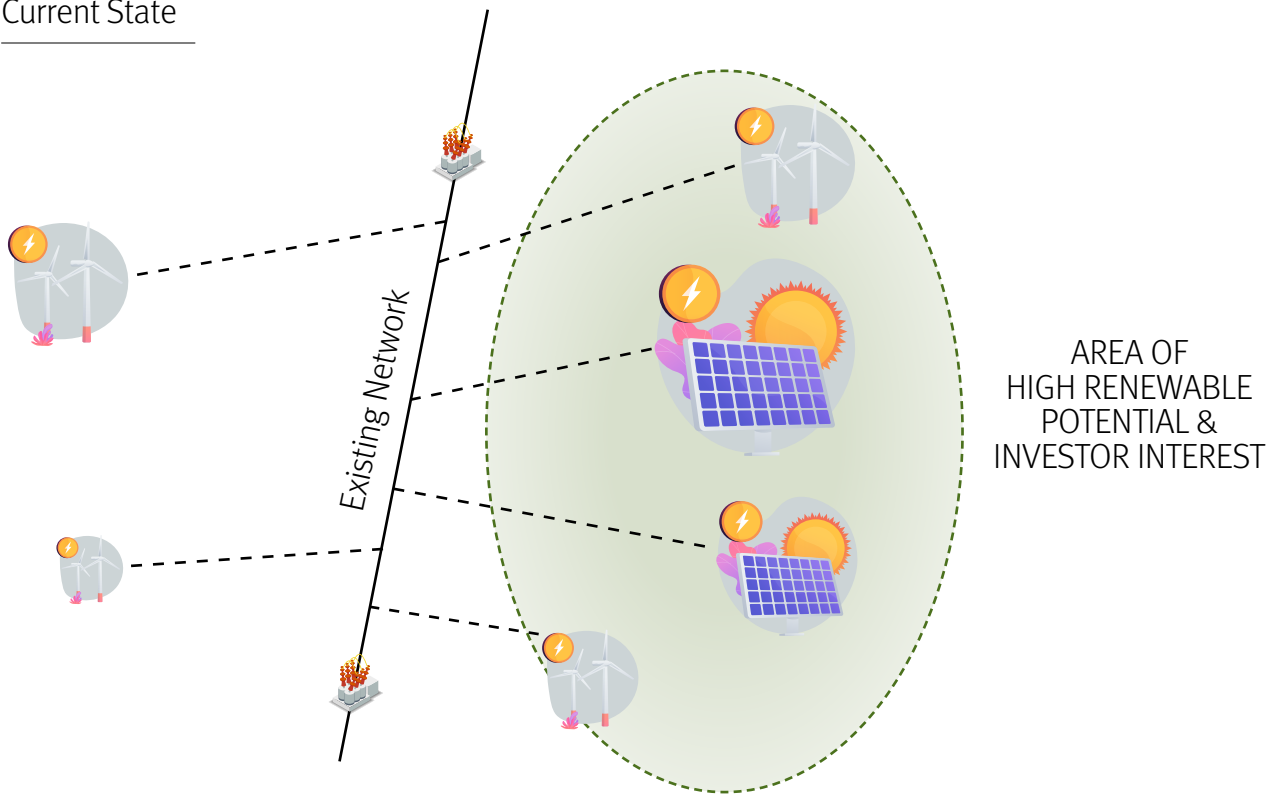
This model is intended to balance cost-effective access and connection for REZ participants while minimising costs to consumers and ensuring timely connection of renewable energy generation.

➤ REZ delivery body

It is proposed that a new REZ delivery body will be appointed by the Minister for Energy, and that it is currently anticipated Powerlink will perform this function. The REZ delivery body will be responsible for providing advice on proposed REZ to government, developing draft and final management plans, consulting with community on technical elements of REZ design including transmission infrastructure, and determining access and connection to a REZ Transmission Network and REZ Controlled Assets.

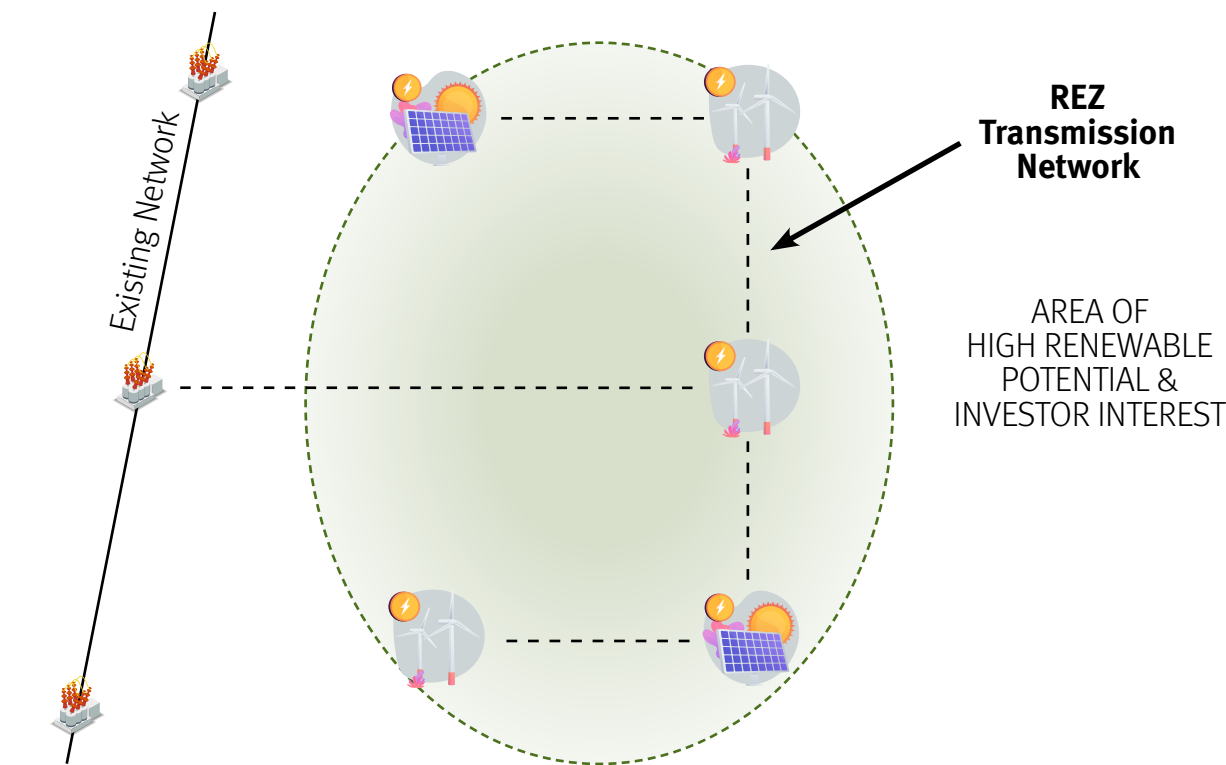
Uncoordinated Development

Current State



Coordinated REZ Development

Future State





Additional information

To ensure a coordinated approach to REZ identification and development that reflects broader community considerations, cumulative impacts and other land uses, the REZ delivery body will have regard to the optimal infrastructure pathway set out in the Queensland Government's SuperGrid Infrastructure Blueprint and the more detailed QREZ Roadmap (to be released in 2023).

The QREZ Roadmap will outline the longer-term phased development of REZ in regional Queensland guided by consultation with communities during 2023. Key issues for consultation will include the approach to coordinating benefit sharing arrangements for host communities, considering and managing cumulative impacts, and assessing REZ readiness of host communities including considerations like local workforce, housing, transport and logistics.

The draft Bill sets out the framework for establishing and connecting new generation and the broader consultation on the QREZ Roadmap will inform the approach to improving local outcomes in line with principles set out in the draft Regional Energy Transformation Partnerships Framework.

Regulations will be developed to enable the REZ framework.

Key clauses in the exposure draft

- Declaration of REZ, s 40-42
- Management Plans for Renewable Energy Zones including content, preparation, approval and amendment, s 43-48
- REZ Transmission Network description including access and connection, s 49-53
- Cost Recovery, s 54-59
- REZ delivery body appointment and functions, s 60-62
- Other provisions including end of REZ declaration and transitional arrangements, s 63-66



Grid Supporting Technology

Implementing the QEJP

Action 1.1 and Action 1.3 of the QEJP commit the Queensland Government to begin building the SuperGrid, and investing in more batteries and storage (respectively).

Summary of proposed legislation

This amendment relates to Queensland's transmission and distribution entities only and aims to allow for the reliable, safe, efficient, and cost-effective integration of new infrastructure with the electricity grid, to help drive investment in new renewable generation, whilst supporting network stability and security.

The proposed legislative change will amend Queensland's *Electricity Act 1994* to clarify the terms 'operating works' and 'battery storage device'.

- Operating works will be updated to include grid supporting technologies such as batteries and synchronous condensers.
- Battery storage device will mean plant that converts electricity into stored energy and releases stored energy as electricity, and includes any equipment necessary for the operation of the plant.

Key clauses in the exposure draft

- Operating works, s 162(1)
- Battery storage device, s 162(2)



Governance and Advice

Queensland Energy System Advisory Board

Implementing the QEJP

Action 1.10 of the QEJP commits the Queensland Government to establish a new technical board for expert advice, including to prepare legislation for its establishment.

Summary of proposed legislation

The draft Bill establishes a new Queensland Energy System Advisory Board (the Board).

➤ Functions

The draft Bill outlines that the functions of the Board which includes preparing an annual progress statement (towards the renewable energy targets) and providing advice on updates to the Queensland SuperGrid Infrastructure Blueprint.

- The annual progress statement will outline the progress made towards achieving the renewable energy targets and delivering the Infrastructure Blueprint's optimal infrastructure pathway. The Minister will publish the progress statement in the Queensland Parliament by 31 March every year.
- The Infrastructure Blueprint will be reviewed every two years and the Board will provide advice to the Minister on how the optimal infrastructure pathway should be updated. The Board can also provide the Minister with advice on how mitigate risk to achieving the optimal infrastructure pathway. The Minister will be required to publish an update to the Infrastructure Blueprint, informed by the Board's advice by May 2025, and then every two years.

The Board will also advise the Minister on other matters including risks and strategies associated with achievement of the renewable energy targets and delivery of the optimal infrastructure pathway, and ways to accelerate the energy transformation.

➤ Membership

The draft Bill provides the Board will have an independent Chairperson (i.e. not a government employee) and three to five appointed members. The Chief Executives of the Department of Energy and Public Works and Queensland Treasury will be ex-officio members of the Board. The Chairperson and all board members may hold terms of up to four years and are eligible for reappointment.

The draft Bill requires the appointed members of the Board must have knowledge, qualifications or skills in either the operation of the Australian energy sector, infrastructure investment, infrastructure delivery, and at least one member must have knowledge, qualifications or skills in either advocacy services or support for energy consumers. Appointed members will be remunerated.

The Board is required to meet at least four times per year but can meet more often to perform its functions. The role of the Board will end on 31 December 2035.

Additional information

Once established, the Board will develop and agree its Terms of Reference (ToR). The ToR will be published on the Department's website.

Key clauses in the exposure draft

- Establishment, functions and powers, s 76-79
- Membership, s 81-83
- Board meetings, s 93-95



Energy Industry Council

Implementing the QEJP

Action 3.3 of the QEJP commits the Queensland Government to prepare Queensland's workforce and regions for growth, which includes the establishment of an Energy Industry Council to provide advice to Government.

Summary of proposed legislation

The draft Bill establishes a new Energy Industry Council (EIC) as an advisory body with tripartite representation from government, relevant energy unions and publicly owned energy businesses, reflective of the Queensland Energy Workers' Charter.

➤ Membership

The draft Bill outlines that the EIC will have an independent Chair, five representatives from relevant energy unions and five representatives from Queensland's publicly owned energy businesses. The EIC will also have one government representative. Appointed members (i.e., not the government representative) may be on the EIC for an initial term up to 3 years, and will be remunerated. Appointed members can be reappointed.

The EIC will be required to meet at least every six months, and is anticipated to meet more frequently to progress implementation of the Energy Workers' Charter. The EIC will provide the Minister with a report on their work by the end of September each year. The role of the EIC will end on 31 December 2035.

Key clauses in the exposure draft

- Establishment, functions and powers, s 106-109
- Membership, s 111-113
- Board meetings, s 123-124

➤ Functions

The draft Bill sets out the functions of the EIC, which includes providing advice to the Minister on how implementation of the Infrastructure Blueprint will impact affected energy workers, on opportunities for employment, workforce development, education and training in the renewable energy industry for affected energy workers and their communities, and on the skills and training anticipated for the future of the energy industry.



Queensland Renewable Energy Jobs Advocate

Implementing the QEJP

Action 3.3 of the QEJP commits the Queensland Government to prepare Queensland's workforce and regions for growth, which includes the appointment of the Queensland Renewable Energy Jobs Advocate.

Summary of proposed legislation

The draft Bill establishes a Queensland Renewable Energy Jobs Advocate (the Advocate).

➤ Functions and Powers

The draft Bill provides that a key function of the Advocate will be to provide advice to the Minister in relation to opportunities for employment and workforce development in the energy industry, undertaking relevant research, and promoting the benefits of projects relating to renewable energy to the community.

➤ Appointment

The draft Bill provides that the Advocate will be appointed by for a term up to three years and is eligible for reappointment. The Advocate will be remunerated.

The Advocate must be an appropriately qualified person to perform the functions of the role and is required to provide the Minister with a report on their activities and performance each financial year.

The role of the Advocate will end on 31 December 2035.

Key clauses in the exposure draft

- Functions, s 136
- Terms of appointment, s 141



Have your say on the
draft Energy (Renewable
Transformation and Jobs) Bill.

ENERGY (RENEWABLE TRANSFORMATION AND JOBS) BILL 2023

EXPOSURE DRAFT CONSULTATION



qld.gov.au/energyandjobsplan



13 QGOV (13 74 68)



@EnergyQld

2023